



State of North Carolina Utilities Commission

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May 1, 2007


Deborah Taylor Tate
Commissioner

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554


Ray Baum
Chairman

Oregon Public Utility Commission
550 Capitol Street, N.E., Suite 215
Salem, Oregon 97308-2148

Re: Written Ex Parte Communication – electronically filed in the proceeding captioned: In the Matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, WC Docket No. 05-337, CC Docket No. 96-45

Dear Commissioners Tate and Baum:

The North Carolina Utilities Commission (NCUC) **has** not taken **any** official position in this proceeding. However, I am writing in my capacity **as an individual member of the NCUC.**

I **first** want to thank you and **your** colleagues for your **good and hard work** on the **Federal State Joint Board on Universal Service.** Universal service reform is a complex and difficult issue, but an issue **that is** critical to **all** consumers, particularly those in rural areas.

Consumers in rural parts of North Carolina **expect** access to the **same quality and types** of services **as** their urban counterparts. In addition to traditional landline service, they are demanding state-of-the-art services **that** include vertical services, **broadband** and wireless. Universal service support is an essential element of providing these vital services to rural areas with service levels and rates comparable to those available in urban areas. Specifically, **it is my belief**

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that **rural consumers want and deserve access to the mobility and safety benefits that only wireless service provides.** Without **appropriate** support for the **expansion and upgrading of the rural wireless** networks, **consumers in areas lacking wireless service might not receive these benefits.**

I have observed that momentum **seems to be building at the Joint Board to attempt to resolve** concerns regarding growth **of the universal service fund,** As you deal with **this** issue, I **urge to you** consider **reforms that are fair and equitable to all providers** without regard to the **underlying** technology. **Rural consumers want and need expanded and improved services for public safety, economic development, business and personal needs that are equally as important to them as they are to urban consumers.** This is one of the **main** benefits that **rural consumers receive from the universal service fund,** just as Congress **envisioned** when it initially established the fund.

I respectfully request that you carefully **consider these facts as you seek to reform the existing fund.** I ask you to find **competitively neutral proposals to slow fund growth,** ensure accountability for how these **funds are used** and promote the continued **expansion and improvement of much needed services** in rural areas.

I thank **you** for **your** continued service to our **nation and for your willingness to deal thoughtfully** with these difficult and important issues,

With best wishes, and warm personal regards, I am

Sincerely yours,



James R. Kenney

cc: Chairman Kevin J. Martin
Commissioner **Michael J. Copps**
Commissioner **Lisa Polak Edgar**
Commissioner Larry S. Landis
Commissioner **John D. Burke**
Billy Jack Gregg